

**Informal Draft Rules Relating to
Employer-Related Health Benefit Plan Regulations
Title 28 Texas Administrative Code Chapter 26**

Comments due by November 16, 2015

The Texas Department of Insurance has prepared informal draft rules that update Chapter 26 Small Employer Health Insurance Regulations. The purpose of posting this draft is to obtain public and stakeholder input regarding proposed changes that will conform it to statutory changes made over several legislative sessions, and to clarify new regulatory requirements, including requirements for stop-loss insurance policies.

The draft posting changes the small employer health insurance regulations by changing the title of the chapter to employer-related health benefit regulations since the chapter encompasses more than small employer plans; updating the cooperative rules, including adding that cooperatives are exempt from the Insurance Code Chapter 1370 mandate that a health benefit plan must provide coverage for detection of ovarian and cervical cancer; updating citations and statutory changes in wording, including modifying, adding, or deleting definitions; allowing SERFF filings; adding language to clarify the regulation of employer group waiver plans; adding language to clarify that carriers may not exclude coverage outside the plan service areas for healthcare services, supplies, or drugs provided for sickness, injury, or emergency, but may exclude the coverage if the enrollee travels outside the U.S. for the sole purpose of receiving those benefits; adding language that allows small employer carriers to provide the small employer the option to exclude spousal coverage adding language to clarify regulation of certificates issued to Texas residents under out-of-state group policies; establishing a new subchapter regulating stop-loss insurance; and reducing redundancy in the rules.

Though not reflected in the informal draft, TDI is also considering the repeal of §26.1, Statement of Purpose; §26.21, Cost Containment; §26.22, Private Purchasing Cooperatives; §26.23, Powers and Duties of Texas Health Benefits Purchasing Cooperative and Private Purchasing Cooperatives; §26.26, Administrative Violations and Penalties; §26.27, Forms; §26.311, Administrative Violations and Penalties; and §26.413, Health Carrier Reporting Requirements. Except for the substance of §26.22 and §26.23 that is being moved to Subchapter D, the sections are duplicative of other state or federal laws. The informal draft repeals Subchapter E, Healthy Texas Program which will complete its phase out process on December 31, 2015.

TDI invites your input on the informal draft rules and repeals, and welcomes your comments on any new costs that you anticipate could result from the draft rules. Staff is particularly interested in public comment on the language that allows small employer carriers to provide the small employer the option to exclude spousal coverage, the revision of the definition of “eligible employee,” whether any particular provision of Chapter 26 should be made inapplicable to

employer group waiver plans, the requirement for SERFF filings, and the stop-loss attachment points.

This is an informal draft posting and not a formal publication for rulemaking.

To expedite the comment period and our process, TDI encourages you to submit your comments on the draft posting by email to LHLComments@tdi.texas.gov; by mail to Doug Danzeiser at Mail Code 107-2A, P.O. Box 149104, Austin, Texas 78714-9104; or by phone at 512-676-6673. You may also provide written or oral comments during the meeting. We request that you submit your comments by 5 p.m. Central time, on November 16, 2015.

TDI will also be hosting a stakeholder meeting to discuss the draft posting on October 30, 2015, from 1 p.m. to 5 pm, Central time, in Room 100 of the William P. Hobby Jr. State Office Building, at 333 Guadalupe Street, Austin, Texas 78701.

TDI has arranged for a conference line to allow you to participate remotely. The conference line will support up to 200 callers. To participate by phone, please call 877-226-9790 on the day of the meeting, and use Access Code 8018458#.

Additional information on the stakeholder meeting may be accessed by clicking on the link below.

Thank you for your interest and assistance in this process. A copy of the draft posting may be downloaded from the link below. If you have questions about this notice or the draft posting, please contact Doug Danzeiser, LAH Regulatory Initiatives at LHLComments@tdi.texas.gov.

[Continue to Draft Posting of: **Chapter 26 Employer-Related Health Benefit Plan Regulations**](#)

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